

MAA'S
FUTURE:
2006 TO
2011

Seeking Partners in Strategic Planning



Medical Assistance
Administration,
DSHS
November 2003

Doug Porter
Assistant Secretary
Medical Assistance Administration
Department of Social and Health Services

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Improving our clients' health

- More than 900,000 medical assistance clients statewide
 - Includes fee-for-service Medicaid, Healthy Options (managed care), and State Children's Health Insurance Program (SCHIP)
 - MAA represents 45 percent of the DSHS budget and nearly 16 percent of the entire state budget
 - Roughly two-thirds of the caseload are children
- Staff of 900, centered in Olympia for efficiency and low administrative costs
- State and federal funding split about 50-50

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The good news

MAA has focused successfully on becoming a more accountable organization and a more prudent purchaser of health care for our clients



- Borrowing techniques of private coverage
- Focusing on smart savings, like the Utilization and Cost Containment Initiative of FY2001-2003
- Reviewing previous practices – dialysis centers, injectible drugs, etc.
- During the last biennium, MAA saved more than \$116 million

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The bad news

Despite these efforts, health-care costs are rising, with double-digit increases

Despite these savings, MAA budget increased by \$1.4 billion in this biennium

Current economic outlook for the Northwest is to trail any recovery elsewhere

This is a health-care issue, not a Medicaid issue

Providers are squeezed, particularly by government payers, resulting in access concerns

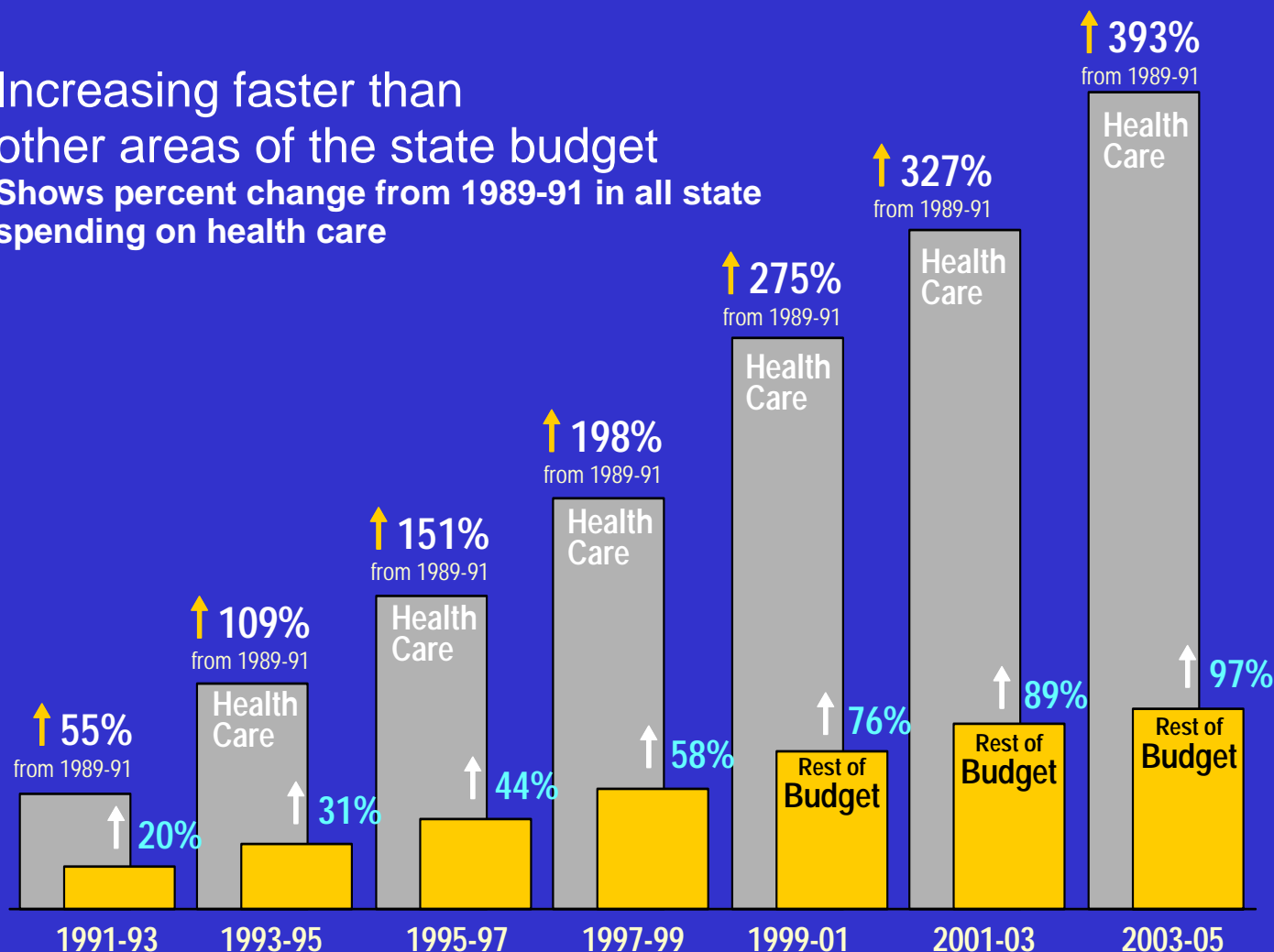
Washington State has a record of preserving eligibility and expanding coverage – this is unsustainable in current era of scarce resources



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Health-care costs

Increasing faster than
other areas of the state budget
Shows percent change from 1989-91 in all state
spending on health care



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The POG

Gov. Locke's Priorities of Government (POG) gave budget planners a new way to approach state spending and state priorities:



1. What strategies are most effective in achieving those results?
2. Given the money available, which activities should we buy to implement those strategies?
3. What are the results that citizens expect from government?
4. How will we measure progress?

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11 POG goals



1. Improve student achievement in schools
2. Improve the quality and productivity of our workforce
3. Improve the value of a state college or university education
4. Improve the health of Washington citizens
5. Improve the security of vulnerable kids & adults
6. Improve the economic vitality of businesses & individuals
7. Improve mobility of people, goods, information and energy
8. Improve the safety of people and property
9. Improve the quality of Washington's natural resources
10. Improve cultural and recreational opportunities
11. Improve the ability of government to achieve its results

Why strategic planning?

Strategic planning allows MAA to set a course that supports executive direction and priorities

- Takes long-range goals into account
- Encourages cross-administration improvements like Medicaid Integration
- Helps avoid the distractions of short-term complications by setting MAA's sights on distant objectives
- Builds programs on the base of mission and vision, not available resources
- Permits state to prioritize programs (Medicaid, Prevention, Basic Health) across all state health agencies, not merely within each agency's bureaucracy



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Preserving the mission

Strategic planning gives MAA the opportunity to optimize its internal capacity to sustain priorities

- Federal funding maximization strategies
- Identify targets for administrative simplification
- Work to build long-range partnerships that strengthen providers' ability to deliver effective, efficient health care services



Facing the risks



1. Failure to articulate priorities or to focus on key issues:

- ▶ Limits MAA's ability to be proactive, relegating major decisions to the Legislature

2. Overreacting to external demands:

- ▶ Hard to coordinate strategies to meet different requirements

3. Internal capacity cannot sustain priorities:

- ▶ Communications break down over performance expectations
- ▶ Failure to use employees' expertise to make strategic decisions

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DSHS strategic goals

Secretary Braddock has identified these strategic goals for DSHS:



- Improve client health and safety
- Improve client self-sufficiency
- Improve prevention and care
- Improve accessibility and service integration
- Improve customer service
- Increase financial recoveries
- Improve quality assurance
- Improve workforce development and diversity
- Manage fiscal austerity by leveraging existing resources and strengthening prevention resources
- Align our action with partners and communities to reinforce formal and informal support and networks
- Integrate service delivery to improve access and service quality

MAA guiding themes

MAA so far has identified these five strategic themes to begin the planning process:

1. Improve our citizens' health by purchasing evidence-based health services
2. Allocate and maximize resources to achieve fiscal efficiency
3. Sufficiently invest in our human resources to ensure a competent, credible and creative work force for the future
4. Integrate service delivery to improve access and service quality
5. Align our actions with community partners and health providers

Planning challenges

Strategic planning will face some understandable hurdles over the next 18 months:

- Many changes ahead: A new governor, new secretary, new legislative mix...
- Federal health agencies are unclear about direction, priorities may be shifting
- Other needs and goals may continue to trump health care
- Numerous health agencies with various client needs and requirements continue to challenge our collaboration and administrative simplification efforts

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Three phases of planning



2003

Summer

PHASE 1

The Executive takes the lead

- Provides overall direction and key elements

May/June

Articulate DSHS Priorities/Vision

July/August

Executive Level Stakeholder Work

2003-04

Fall through Spring

PHASE 2

Programs carry the conversation

- Provides overall direction and key elements

September through January

Stakeholding with our partners and data gathering)

February to April

Draft and review plan

May

Submit Plan to DSHS

2004

Summer through Winter

PHASE 3

It All Comes Together

- A cohesive plan emerges
- Deployment begins

June/July

Agency, Program Plans Finalized

July/August

Production and Submission

After September

Plan Deployment

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DSHS
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What do we want from you?

- Tell us how to make our guiding themes into reality?
- Give us guidance on how MAA should change what it does now:
 - ▶ When times are good
 - ▶ And when times are bad
- **Questions/response sheets** –
Please fill out the Strategic Planning questionnaire at your leisure and mail it back to us.



- <http://maa.dshs.wa.gov/>

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